

PD-ARP-262  
94402

AGENCY FOR INTERNATIONAL DEVELOPMENT

MALI

BASIC EDUCATION EXPANSION PROJECT

PROJECT PAPER/PROGRAM ASSISTANCE APPROVAL DOCUMENT (PAAD)

(688-0258)

PAAD AMENDMENT NUMBER ONE

(688-T-603)

4/22

UNCLASSIFIED

DATE: APRIL 22, 1994

A

AGENCY FOR INTERNATIONAL DEVELOPMENT

**PROGRAM ASSISTANCE  
APPROVAL DOCUMENT  
(PAAD)**

1. PAAD Number 688-T-603	
2. Country Mali	
3. Category Resource Transfer	
4. Date 20 April 1994	
5. To Charles W. Johnson Director	
6. OYB Change Number N/A	
7. From <i>Richard Gold</i> Richard Gold Program Officer	
8. OYB Increase N/A To be taken from:	
9. Approval Requested for Commitment of \$ N.A.*	
10. Appropriation Budget Plan Code	
11. Type Funding <input type="checkbox"/> Loan <input checked="" type="checkbox"/> Grant	12. Local Currency Arrangement <input type="checkbox"/> Informal <input checked="" type="checkbox"/> Formal <input type="checkbox"/> None
13. Estimated Delivery Period 9/89-9/95	
14. Transaction Eligibility Date 30 August 1989	
15. Commodities Financed	

16. Permitted Source U.S. only	17. Estimated Source U.S.
Limited F.W.	Industrialized Countries
Free World	Local
Cash	Other

**18. Summary Description**

The Basic Education Expansion Project (BEEP) constitutes the U.S. Government's contribution to the Government of Mali's (GRM) on-going Fourth Education Sector Consolidation Program. The global program consists of non-project assistance to assist the GRM to overcome fiscal difficulties and project assistance to help improve the effectiveness of its basic education system.

The original Basic Education Expansion Project was developed as a combined Project/Program Assistance Approval Document (PP/PAAD). This amendment modifies the PAAD component of the original PP/PAAD to revise the program conditionality for the disbursement of the remaining \$2 million of non-project assistance funding. The revised conditionality will create a legal framework for the development and expansion of private and community education. This framework will address the following five issues: 1) the role of communities in the governance and management of schools; 2) the distinction between schools operated by private entrepreneurs and non-profit schools created and run by community groups; 3) recognition and registration of all establishments with at least 60 students as an institutions of public utility; 4) maintaining community interests in rules governing access to land, funds, and facilities for private and community schools; and 5) the obligations of the state vis-à-vis private and community schools.

\* Original PAAD dated 30 August 1989 committed \$3 million.

19. Clearances	Date	20. Action
<i>KJ</i> J Duval, Controller	4/21/94	<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED
Y Kainth, EXO	4/21/94	
G Thompson, GDO	4/21/94	Authorized Signature
B Kosheleff, D/Dir	4-21-94	<i>Charles W. Johnson</i>
A Adams, RLA (on file)		Date: April 22, 1994
		Title: Mission Director

**ACTION MEMORANDUM FOR THE MISSION DIRECTOR**

Date : 20 April, 1994

From : *Richard Gold* Richard Gold, Program Officer

Subject: Amendment of the Basic Education Expansion Project  
Program Assistance Approval Document

Problem

Your approval is required to 1) amend the Program Assistance Approval Document (PAAD) for the Basic Education Expansion Project in order to revise the project conditionality for disbursement and 2) amend the corresponding Program Grant Agreement with the Government of Mali.

In April 1993, USAID Mali informed the Ministry of Basic Education and the Ministry of Economy, Finance and Plan, of its decision not to disburse remaining (\$2 million) Basic Education Expansion project non-project assistance funds. The original program conditionality encouraged the Ministry of Basic Education to undertake reforms necessary to developing an equitable, efficient and quality basic education program. The original budget for the Basic Education Expansion Project was \$10 million: \$7 million in directly-managed project support and \$3 million in program assistance funds. The program assistance funds designed to provide financial incentives for the Government to undertake reforms in support of the educational system were to be disbursed in three tranches via cash transfers upon satisfaction of certain USAID-set Conditions Precedent to Disbursement. These Conditions Precedent consisted of the Government undertaking budgetary reforms and other reforms necessary to develop an equitable, efficient and quality basic education program. The conditionality agreed upon by the Government of Mali and USAID is stated in the Program Grant Agreement signed August 30, 1989.

First tranche conditions were met in 1990 and a first disbursement of \$1 million was made. The remaining two disbursements were rescheduled several times and remain undisbursed because the Government has failed to meet two key conditions related to budget targets: to increase budgetary support to basic education; and to decrease allocations to secondary and tertiary sectors.

These two fundamental issues remain: a) how to increase resources for the primary sector, and b) how to reduce the percentage of budgetary resources to the tertiary sector, given the difficult political context and constraints which currently exist. By 1992, Mali had changed from a dictatorship to a democracy and the

C


students that aided the overthrow of the Traoré regime no longer tolerated authoritarian unilateral actions and having conditions imposed upon them. Inability to reduce the percentages of resources to the tertiary sector remains a problem with the present Government.

In light of the above USAID decided to negotiate and revise the original conditionality. This decision is supported by the recommendations contained in the evaluation of the Basic Education Expansion project (Final Report dated December 30, 1993). The report calls for defining and implementing new conditionality to disburse existing funds, stating that the present political context is no longer the dictatorship that prevailed before March 1991. Conditions can no longer be imposed but must be negotiated in the context of a democratic society. Moreover, revised conditionality must take into account both the real capacities of the Government of Mali to satisfy conditionality, and the constraints imposed by the political context. Further conditionalities must be linked directly to Ministry policies related to developing basic education in Mali. USAID suggested two areas of intervention: redeploying personnel; and promoting private and community schools. For the latter, this means preparing and adopting texts related to the promotion of private and community school, including all sectors currently providing services outside the formal system. Further, it recommends developing a policy that encourages active community participation in the creation and financing of basic education schools.

Negotiations with three different Ministers of Education over the last eight months led to an agreement in principle on revised Project conditionality. Discussion centered on: 1) promoting private and community schools; 2) redeploying personnel; and 3) promoting access to girls' education.

#### Amended Program Agreement

It is proposed that, under an amended Program Agreement, USAID Mali will disburse a total of \$2 million in non-project assistance funds when the Government of Mali creates a legal framework for the development and expansion of private and community education. The law, decree, Ministerial order, instructions and directives must address the following five issues: 1) the role of communities in the governance and management of schools; 2) the distinction between schools operated by private entrepreneurs and non-profit schools created and run by community groups; 3) recognition and registration of all establishments with at least 60 students as an institutions of public utility; 4) maintaining community interests in rules governing access to land, funds, and facilities for private and community schools; and 5) the obligations of the state vis-à-vis private and community schools.

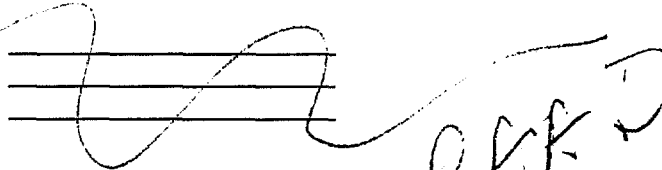


The new conditionality replaces disbursement requirements under the original Program Agreement. USAID Mali has worked closely with the World Bank and other donors on this issue. Donors support this initiative fully. The Mission is committed to continuing the effort to assist the Government of Mali in increasing the availability and quality of basic education for Malian children. Successful disbursement will mean that a legal basis is established for the hundreds of individuals and communities who want take responsibility for the education of their own children.

Recommendation

That you approve: 1) the attached Program Assistance Approval Document (PAAD) for the Basic Education Expansion Project and 2) amend the corresponding Program Grant Agreement with the Government of Mali.

APPROVE:  
DISAPPROVE:  
DATE:

  
*Signed PRK D*  
*April 22, 1994*

Drafter: PRM: David Attebery DA 20 April 1994

Clearances:

Freda W. Henry FWH

Date:

4/21/94

GDO: George R. Thompson GR

Date:

4/21/94

BEEP: Chahine Rasseckhy CR

Date:

4/21/94

MGT: Yashwant Kainth YK

Date:

4/21/94

CONT: Jim Duvall JD

Date:

4/21/94

DDIR: Bruno Kosheleff BK

Date:

4-21-94

F

## Table of Contents

I.	Background and Rationale	1
	A. Project Overview	1
	B. The Changing Social and Political Context	2
	C. New Opportunities Present Themselves	4
	D. Mission Alternatives	4
	E. Mission Decision	6
	F. Purpose of this Amendment	7
	G. Related Project Assistance	7
	H. Summary of Original Conditionality	8
	I. Original and Current Constraints	8
II.	Revised Conditionality	15
	A. Description	15
	1. Overview	15
	2. Indicators of Conditionality Satisfaction	16
	3. Revised Conditions Precedent	16
	B. Anticipated Impact of Conditionality	17
	C. Relationship to Other Donor Conditionality	21
	D. End-of-Project Status Indicators	22
	E. Monitoring and Evaluation	23
III.	Economic and Financial Considerations	25
IV.	Annexes	27
	A. Why the Original Conditionality Failed	27
	B. Original Conditions Precedent	28
	C. The Student Memorandum	33
	D. Original Grant Agreement and Project Assistance Related Amendments	39
	E. Relationship Between Replaced Conditionality and Project Results	41
	F. Notes on World Bank's Fourth Education Consolidation Project	43

## A. Project Overview

By 1989, Mali's primary education system continued to be characterized by poor quality, low productivity, high inefficiency and declining enrollments. While no objective measures of achievement were available, many of the inputs that impact achievement were deficient.

In that year, the Ministry of Education embarked with the donors on a major program to address the problems of the education sector. USAID's component became the Basic Education Expansion project. Planning included the development of an integrated package of far-reaching policy measures and budgetary support. It also comprised technical assistance, training, equipment, learning materials and infrastructure support to assure inputs for the operation of the evolving system.

The project targeted three of Mali's four most populous regions: the District of Bamako, Sikasso and Ségou. Although the project focus was to improve all levels of education, it particularly aimed to increase the flow of donor and host country resources towards primary education. This injection of support for the primary subsector was based upon need and on its potential for raising the population's overall productivity and well-being.

The work of Basic Education Expansion reveals a troubling picture of the state of basic education in Mali. Enrolment rates for primary education hover around 18 percent. Intake rates are about 20 percent. Repeaters occupy approximately 33 percent of all primary school places. Drop-out rates remain high, and though the system is designed to provide services to the seven to 12 age range, children over 12 occupy 20 percent of primary school places. Statistics for girl children show them to be in a particularly disadvantaged position.

Development implies building up the nation's human capital, and creating a work force sufficiently skilled to occupy positions in the modern or traditional sector. With limited resources at the Government's disposal, investment in the primary school system represents an investment essential to Mali's economic and social development. However, faced with alarming demographic problems - 45 percent of the population is under the age of fifteen - and with one of the lowest enrolment rates in sub-Saharan Africa, Mali is struggling to arrest declining enrolment rates while providing basic educational services to an increasing number of children.

The original budget for the Basic Education Expansion Project was \$10 million: \$7 million in directly-managed project support and \$3 million in program assistance funds. The program assistance funds designed to provide financial incentives for the Government to undertake reforms in support of the educational system were to be disbursed in three tranches via cash transfers upon satisfaction of

certain USAID-set Conditions Precedent to Disbursement (also called Conditions Precedent or conditionality - see Annex B for the original ones). These Conditions Precedent consisted of the Government undertaking budgetary reforms and other reforms necessary to develop an equitable, efficient and quality basic education program. The conditionality agreed upon by the Government of Mali and USAID are stated in the Program Grant Agreement signed August 30, 1989.

First tranche conditions were met in 1990 and a first disbursement of \$1 million was made. The remaining two disbursements were rescheduled several times and remain undisbursed because the Government has failed to meet two key conditions related to budget targets: to increase budgetary support to basic education; and to decrease allocations to secondary and tertiary sectors.

- ✓ These two fundamental issues remain: a) how to increase resources for the primary sector, and b) how to reduce the percentage of budgetary resources to the tertiary sector, given the difficult political context and constraints which currently exist. By 1992, Mali had changed from a dictatorship to a democracy and the students that aided the overthrow of the Traoré regime no longer tolerated authoritarian unilateral actions and having conditions imposed upon them. Inability to reduce the percentages of resources to the tertiary sector remains a problem with the present Government.

The approval of the first amendment to the Basic Education Expansion Project in 1991 resulted from the recognition of the need to do more as soon as possible. The original project provided inputs at the Ministry level. Later, USAID realized if it was to have an impact in the classroom, to improve the quality of education, then it must do more in areas outside Bamako. Thus, the first project amendment in 1991 resulted from recognizing the need to do more as soon as possible and responded to the same constraints as in the original project, reinforced existing project activities, extended those activities to the areas outside of Bamako with the creation of Regional Service Centers, and added services to the Koulikoro Region.

In 1992, an additional \$1 million was added to the project to meet local community school needs. In particular this money is providing support to communities that wished to establish and manage their own schools. It also provides funds for the development of alternative national language community schools.

## B. The Changing Social and Political Context

Hindsight over the four years of project implementation shows that the Ministry of Education in Mali had weak baseline data and an

ineffective operating environment, which has made meeting the outstanding two Conditions Precedent impossible - at least for now. Politically, the Government of Mali was a repressive dictatorship that basic education advocates could not force into action and is now a less-than-stable democracy that cannot meet previous obligations; economically, the Government could not make the sectoral adjustments to meet the Project's most important conditionality; and institutionally, the administrative and management services were absent, or where minimum services existed, they were weak and dysfunctional. The civil servants responsible for the project were fearful and repressed and, understandably, unwilling to make risky decisions. The institutional memory of the Ministry of Education was destroyed when the then-Minister of Education disbanded the Central Planning Unit and dispersed its staff to other Ministries. Moreover, no coherent education policy or set of policies existed in writing or otherwise to direct education in Mali. In fact, the existing system was in such disarray that moving massive resources from the tertiary to the primary sector could not have been managed effectively. For instance, Mali has had six different Education Ministers in just over three years, one of whom was murdered in office. It is not unusual for Ministry staff to have their houses burned for supporting measures that do not favor older students. Moreover, unforeseen political events - a revolution, two attempts to destabilize the Government, continued student unrest, financial costs for destroyed infrastructure, and a general disrespect for government authority to collect taxes - have all had a financial toll on support for basic education. Even today, the Ministries of Higher Education and Basic Education lack minimum tools to manage personnel and scholarships and the fledgling democracy has even less ability to impose its will on the populace. Nonetheless, given the constraints operating when Basic Education Expansion was designed, it was probably the best effort possible at that time.

There have been, however, several positive social and political changes during the past few years. One of the most important "revolutions" has been the Third Republic's sincere intent to foster the process of decentralization. The Government's decentralization efforts are serious. It passed decentralization legislation in February 1993 that restructures government service delivery to implement sectoral objectives into four levels: national, regional, local commune, and village groups. On 30 March 1994 the Council of Ministers passed a decentralization decree which legislated local authority for the control and financing of the delivery of public services. It made communities responsible for their own development and recognized four institutional groups as equal partners: Commune, Cercle, Region, and State. In the education sector, it assigned responsibility for basic education to the commune and village levels under the auspices of each Regional Directorate of Education. Secondary education is assigned to the regional level and higher education to the national level. In 1993 it also restructured the Ministry of Education into three separate

Ministries: the Ministry of Basic Education, the Ministry of Secondary, Technical and Professional Education and the Ministry of Research and Higher Education. Then it combined the latter two, resulting in two ministries.

#### C. New Opportunities Present Themselves

Recent changes in the Government brought to the fore a new Prime Minister who has taken a hard line approach. Students were arrested when they rioted and destroyed public property. All schools were closed. The Government is determined to implement criteria for the award of scholarships, a first step to controlling tertiary spending. However, while the government needs time to work out these problems, other policy choices can be made that will have an even stronger effect on the expansion of basic education. The Government has demonstrated its overall budgetary commitment to education. It has struggled with reallocating the education budget between sectors. But it can also be redistributed within the primary sector. The proposed conditionality sets the stage to do that.

Education costs in Mali represent a much higher proportion of a smaller Gross National Product than is the case in developed economies. Some educational specialists criticize Mali for investing much less in primary education than it does in secondary and higher education. The real problem is not that Mali invests too much in secondary education but that relatively speaking it invests less in primary education. This problem seems worse than it really is because not all education investments are counted. Local communities, parents associations and other groups invest an enormous amount in education. These investments are outside the mainstream of Government investment of public schools.

In February, 1993 Mali passed a landmark decentralization law. The Ministry of Education is committed to democratizing education and implementing the decentralization law. Basic Education Expansion activities have been supporting these activities in very important ways: revising texts, defining functions and positions, criteria for allocating resources. These efforts have been hampered by the lack of a legal framework.

#### D. Mission Alternatives

Faced with the Government's failure to increase budgetary support to basic education and the increasing interest in promoting the expansion and development of local private and community level schools, USAID considered three alternatives in responding to the changed political environment and circumstances: to cancel its non-project assistance; to replace the conditionality and include

a different time schedule for satisfaction; or to convert the non-project assistance component to project assistance.

1. Cancel its Assistance

USAID observed efforts by the Government of Mali to attain the Conditions Precedent. For example, the Ministers of Higher Education and Basic Education are striving to resolve the scholarship problem. They also recognize that the curriculum should reflect the tight local job market for new entrants. USAID believes the Government is committed to improving Basic Education in Mali and is making all reasonable efforts under trying economic and political circumstances to live up to this commitment. Therefore, the Mission thought that canceling its non-project assistance would send the Government a negative, entirely wrong signal when in fact USAID wants to communicate support and recognition for the Government's efforts in basic education. The political significance of canceling assistance would not go unnoticed and would undermine other USAID efforts in the sector. For this reasons, USAID decided against this alternative.

2. Convert the Non-Project Assistance to Project Assistance

Converting the non-project assistance would mean essentially that USAID canceled the remaining non-project assistance due to Government non-compliance with conditionality that it strived sincerely to meet. Unlike alternative 1, however, following this alternative would ultimately provide the Government the remaining \$2 million but in a different form. Since USAID Mali intended to provide these funds as incentive to get the Government of Mali to undertake education-related policy reforms, and the Government needed it desperately to meet structural adjustment targets, it was difficult to justify converting them into project assistance.

3. Revise the Conditionality

When USAID reviewed Government progress in meeting Conditions Precedent, it realized that with two exceptions all Conditions Precedent had been met and that substantial progress had been made to comply with their spirit if not their letter (see Annex C, Why to Original Conditionality Failed). Moreover, this is the first time in the four-year project that the Government has taken a firm stand to deal with unruly older students. The student leaders who led civil disturbances have been arrested and are being prosecuted.

#### E. Mission Decision

In April 1993, USAID decided upon the third alternative - to revise the conditionality. First, the Mission has not disbursed the remaining \$2 million of its non-project assistance funds under Basic Education Expansion, and USAID told the Ministry of Basic Education and the Ministry of Economy, Finance and Plan. Second, convinced of the Government's determination to improve services to basic education, USAID stated its intention to review the practicality of replacing conditions once the Basic Education Expansion mid-term evaluation, scheduled for mid-1993, was completed. Finally, USAID invited the Ministry of Basic Education to engage in a policy dialogue to revise the conditions in line with their original objectives. Negotiations with three different Ministers of Education have since led to an agreement in principle on replaced conditionality. Discussion centered on three issues: promoting private and community schools; re-deploying personnel; and promoting girls' access to education. USAID worked closely with the Ministry of Education on the latter two issues and has plans and activities well underway in each of these areas. They both agreed that the project assistance component could gain maximum impact with having a new law in place that favors the creation of private and community schools. This will provide the framework for an interlocking series of concerted actions to restructure the allocation of resources and, thereby, meet project objectives.

This decision to modify the unmet Conditionality is supported by recommendations contained in the draft Basic Education Expansion project evaluation report of November 1993, which calls for defining and implementing replaced conditionality to disburse remaining funds. It states that, "conditionalities must be directly linked to the Ministry policies related to the development of basic education in Mali." It suggested intervening by re-deploying personnel, and promoting private and community schools including all sectors currently providing services outside the formal system. Further, it recommended developing a policy to encourage active community participation in the creation and financing of basic education schools. Moreover, the revised conditionality must take into account both the real capacities of the Government of Mali to satisfy conditionality and constraints imposed by the political context.

The choice of focusing conditions on promoting private and community schools is also supported by A Political and Strategic Framework for Education, which recommends as its first priority increasing increase access to basic education by creating new community schools in urban and rural areas, and by developing the Franco-Arab primary schools called medersas. To do this, it calls for developing regulations immediately to: create a coherent structure; simplify procedures for the creation of schools; provide

and expand access to financial and technical resources to communities and others for the creation of private (community) schools. The revised USAID conditionality responds to this priority recommendation to address directly the constraints identified above. It does so by providing the legal basis for making Mali's basic education system efficient. Implementing it successfully will place the Ministry of Basic Education in a position to achieve the Project purpose of improving the efficiency of the Government of Mali's basic education system. Specifically, the revised conditionality provides the framework to redress the constraints identified above through financial, institutional and programmatic reforms. It will both support and legitimize activities to be undertaken in the next Project phase, via democratizing and decentralizing the education system. It will also support the coordinated interventions of other education sector donors. Strategically, the new approach supports fully the Government of Mali's Decentralization Policy and USAID Administrator, Brian J. Atwood's November 1993 Principles of Participatory Development Declaration.

#### F. Purpose of this Amendment

With the social and political changes which have occurred in recent history comes new opportunities to address the constraints which are facing the Basic Education Sector. This Amendment takes advantage of new opportunities to capitalize on the Government of Mali's efforts to decentralize its political and social service delivery systems. Revising the conditionality provides, for the first time in Mali, a legislative framework that underlines the democratic nature of the education system; that recognizes the intrinsic utility of public, private, profit and not-for-profit, education delivery systems; and legislates equal access to resources for all. This revised conditionality supports and complements the purpose of the Basic Education Expansion Project assistance component, which is to improve the efficiency of the Government of Mali's basic education system. USAID views inefficiency in the delivery of basic education as the most critical constraint in the basic education sector that is feasibly subject to improvement.

#### G. Related Project Assistance

Basic Education Expansion's \$3 million program component complements and supports project assistance activities. The project assistance component is designed to help to improve the effectiveness of Mali's basic education system. Project component activities have focused on working with central Ministry departments to train primary-level teachers and administrative personnel, increase girls' enrollment, implement education

personnel, increase girls' enrollment, implement education management information systems, create incentives for parents and communities to support basic education, and monitor and evaluate program impact. It has done this through a series of activities that have evolved the basic education program's focus from the central to the community level (see Annex D for a full description and summary chart). The revised program activities will ensure that a framework is established that will maximize the impacts of project funded activities.

#### H. Summary of Original Conditionality

The original conditionality specified that Mali re-allocate resources to increase those designated for the base of the educational pyramid (primary education) at the expense of those allocated to its apex (secondary and tertiary). The resources that were to be directed to the primary educational sector consisted primarily of scholarships and salaries. The Government of Mali met all the Conditions Precedent to Disbursement of the first tranche of \$1 million. It did not meet the conditions for the second and third tranches. The unfulfilled conditionality involved increasing the share of Cycle I financing in the recurrent budget for education; keeping the share of higher education financing in Ministry of Education's recurrent budget to not more than 19 percent; and reducing the aggregate amount attributed to highest education scholarships by a fixed percent.

#### I. Original and Current Constraints

It is important to underscore the fact that the original constraints facing the basic educational sector in Mali have not changed since the Basic Education Expansion Project was first approved in 1989. What has changed, as described above, is a conscious social and political determination to break from the historical experience of strong central authority and State control. With this evolutionary shift, the Mission recognized new opportunities to address those constraints to the educational sector through different approaches and strategies which were previously not possible.

Mali's education system faces grave problems of inadequate quality and coverage. The principle constraints in the basic education

---

<sup>1</sup> The Government of Mali allocates 25 percent of the national budget to the education sector. Yet it grossly favors the secondary and tertiary sectors. To inverse the financial pyramid, at least 42 percent of resources were to be directed to the primary sector.

1) The system is unbalanced, with a low and declining primary enrollment ratio, an oversupply of secondary and higher education graduates, and skill mismatches resulting from the system's inability to respond to market signals.

2) The system's performance is poor and limited in relevance, especially at the primary level, where learning materials are lacking, teachers are poorly trained, pedagogic support and control are insufficient, and the curriculum is overburdened.

3) Direction of the system's scarce resources is inefficient, with weak managerial and planning capacities in the Ministry of Basic Education, severe budgetary constraints, skewed spending patterns, rising unit costs, high student subsidies, deteriorating capital stock and high amortization costs.

USAID concern for sustainable growth in the primary education sector underlies everything that USAID is attempting to accomplish with basic education in Mali. While Government budget allocations to basic education are important and affect sustainability, USAID assistance to this sector goes well beyond the problem of budgetary allocations. It addresses the fundamental issues that make the present system totally inadequate and unsustainable such as low enrollment rates, high repeater rates, dismal infrastructure, poorly trained and inadequately paid teachers, and insufficient teaching materials. Hence, achieving sustainability is a difficult and complex objective to fulfill. USAID Mali fully expects that, assuming no adverse political changes, it will be working in Mali's education sector for at least the next ten years, and believes that it can assist the Government of Mali to develop a sustainable Basic Education system that responds to the needs of Malian children. USAID can do this and is already making significant progress.

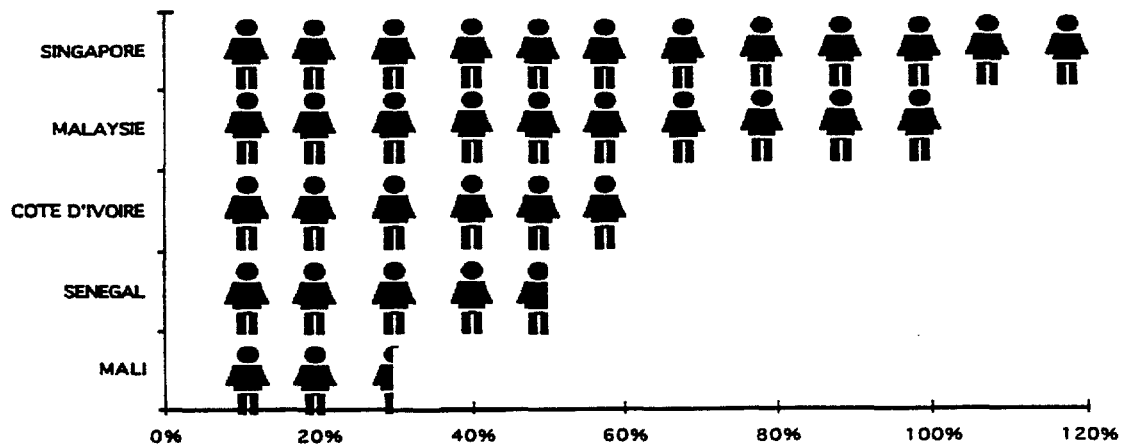
As a result of the continuing constraints, the state is neither meeting its Constitutional responsibility to provide access to a free and compulsory education for all young Malians, nor providing a functional system for the two out of ten children who manage to obtain admittance (girls born in Mali have less than a one-in-ten chance of ever getting into a school) -- minimal objectives for equity, efficiency and quality. For example:

- Mali still has the lowest enrollment rate in the world except for Somalia; the world's lowest rate of girls enrolled in basic education; the world's lowest rate of pre-school enrollment and one of the world's lowest literacy rates; and
- Mali's basic education enrollment rate is 56 percentage points lower than the 1990 average for Africa and 18 percentage points lower than the 1990 Sahelian average.

Tables 1-7 show these problems graphically.

Table 1

## PRIMARY SCHOOL ENROLLMENT RATES

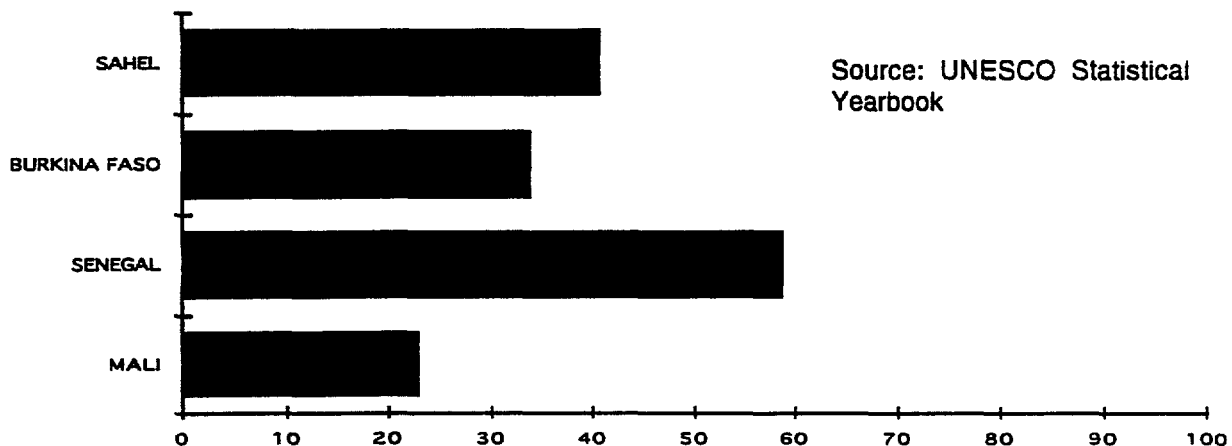


Source: UNESCO Statistical Yearbook

While the project has made a significant dent in those statistics, it is not enough to fight the twin constraints of both the highest fertility rates in the world, and a highly-centralized system that results in administrative paralysis (see Tables 2, 3 and 4)

Table 2

## PRIMARY SCHOOL ENROLLMENT RATES IN THE SAHEL 1988



Source: UNESCO Statistical Yearbook

Table 3

## FERTILITY RATES VS GIRLS ENROLLMENT RATES

World Bank Data

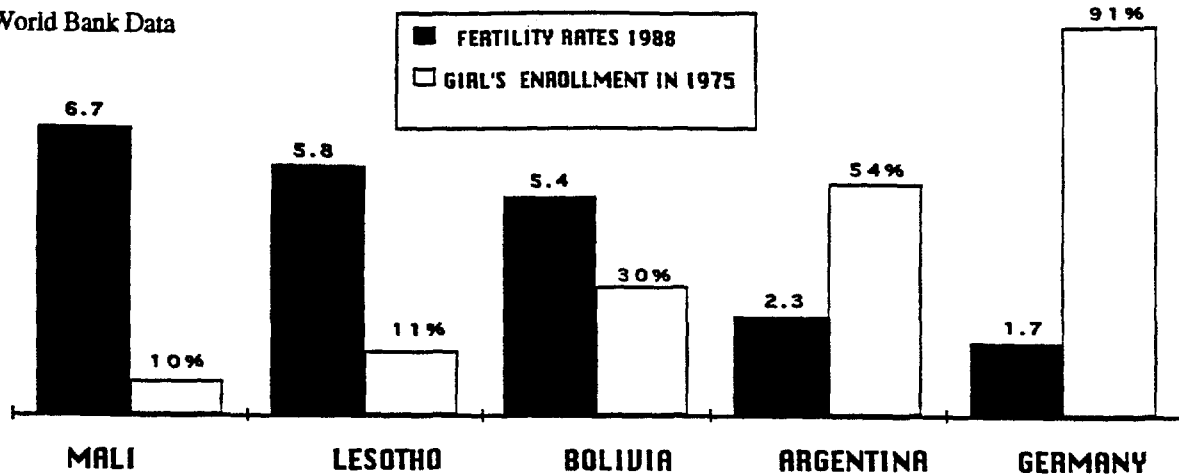
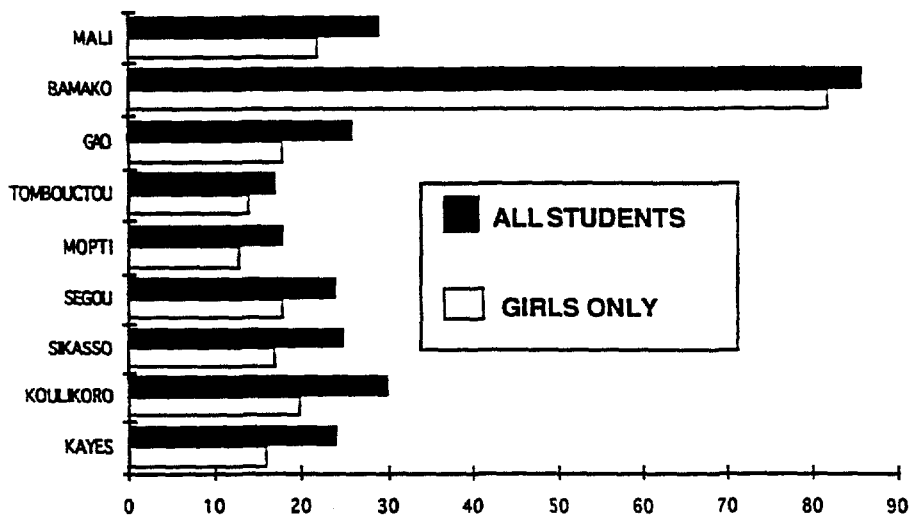


Table 4

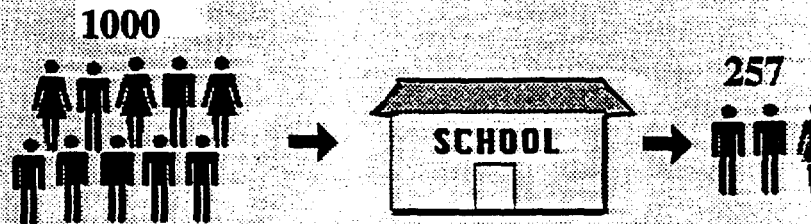
## FIRST CYCLE ENROLLMENT RATES IN MALI BY REGION, 1993



SOURCE: Republic of  
Mali Ministry of Educa-  
tion

Table 5

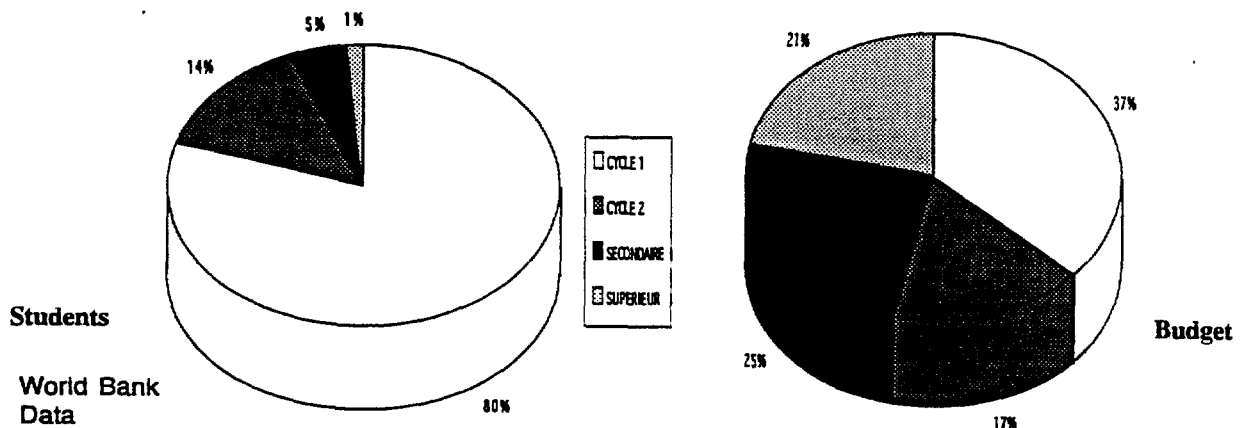
# **NUMBER OF STUDENTS PER THOUSAND WHO RECEIVE THEIR CERTIFICATE AT THE END OF THE FIRST CYCLE**



SOURCE: Republic of  
Mali Ministry of Educa-  
tion

Table 6

## **PERCENTAGE OF STUDENTS PER LEVEL VS. BUDGET AMOUNT PER LEVEL IN MALI, 1992**

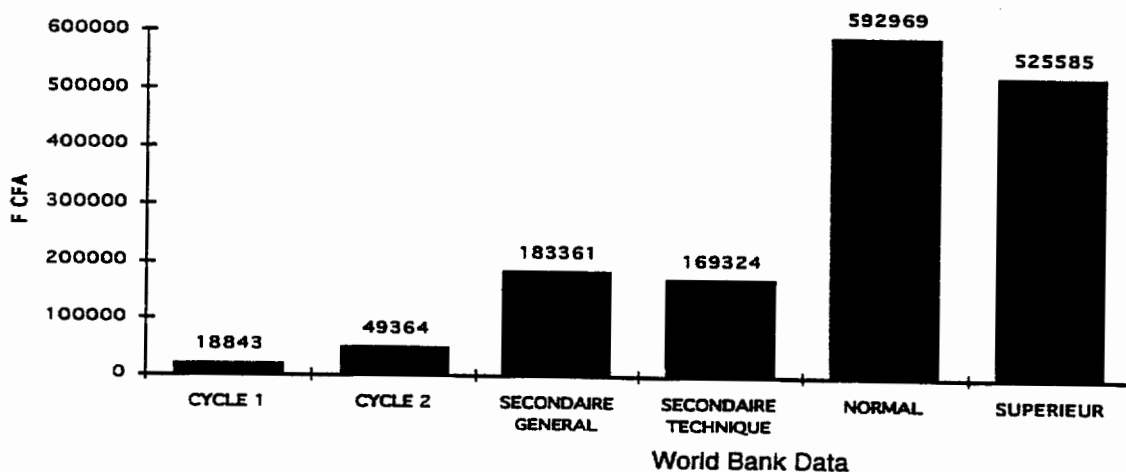


The Basic Education Expansion project has produced over 50 studies in the last four years that indicate clearly that the education system is less-than-effective. In a sample of 6,000 students in 110 different schools, statistically-verified tests show minimal student competencies in the second and fifth grade, when measured against expected outcomes. Source: 1992 Evaluation.

The system is both inefficient and extremely costly. In 1992, 3.3 percent of the gross national product was invested in education. Resource allocation is subject to two major constraints: inequities between sectors, inequities that the project conditionality has been unable to alleviate; and inequities within sectors (see Table 7)

Table 7

## EDUCATIONAL COSTS PER STUDENT PER LEVEL IN MALI 1992



Although the constraints have not changed, new opportunities have enabled USAID to consider new approaches to solving those constraints. Thus, USAID analyzed the more fundamental problems of the education system. Upon discovering that the Malian Ministry of Education was operating with no coherent education policy, USAID and the United Nations Economic and Social Committee (UNESCO) designed the terms of reference for an education sector study that analyzed literacy, basic education, general secondary education, technical education, higher education, and organization and management issues. Its numerous analyses were synthesized together with many additional USAID-produced documents into A Political and Strategic Framework for Education. These analyses identified the lack of four key, systemic elements as constraints that keep the educational system from operating effectively and prevent the Basic Education Expansion Project from achieving its purpose:

- a judicial framework to legitimize all types of institutions to educate Mali's children;
- criteria for allocating financial resources equitably at the national, regional, communal and local levels;
- an institutional framework that is participatory and decentralized in nature; and
- a coherent programmatic framework that allows for the creation of child-centered learning environments.

Other independent studies have corroborated the identification of these constraints, the most recent being the 1994 UNESCO Sector Assessment. Therefore, for Basic Education Expansion to be successful, these four sectoral constraints must be addressed in a new, iterative way.

The new conditionality will require that the Government of Mali take actions to fundamentally change the educational system particularly at the primary level. By promoting private and community schools, the proposed conditionality is designed not only to create a legal framework unifying the Malian school system, but also to provide guidance on how the framework objectives are to be implemented. The six Ministerial instructions and guidelines directly address the constraints previously outlined. Enactment of these new laws and decrees will provide for a more rational framework for the allocation of resources. It will provide the operational framework for a more efficiently functioning primary education system. It will promote improved quality and effectiveness by implicating parents in school governance process. Finally it will allow for increased access for children who have little or no chance of getting into school.

#### IV. Revised Conditionality

##### A. Description

###### 1. Overview

It is proposed that USAID Mali disburse \$2 million in non-project assistance funds in a single tranche when the Government of Mali takes the actions specified in the revised Conditions Precedent to disbursement (new Section 4.3.b. of the Program Grant Agreement). The revised Conditionality will create a legal framework to develop and expand private and community education by letting communities take responsibility for the education of their own children, thereby supporting the larger decentralization effort. This new Conditionality will replace the old conditionality for the disbursement of the second and third tranche of program funds.

The Government of Mali will pass a law to promote private and community schools. The law will include language to regulate the registration of all establishments with at least 60 students as an institutions of public utility. It will distinguish between schools operated by private entrepreneurs and non-profit schools created and run by community groups. A separate decree will be issued governing non-profit community schools as part of the Government-mandated Ministry of Basic Education decentralization process. The Decree will address the role of communities in the governance and management of schools. It will regulate governing access to land, funds, and facilities. Both the law and the decree will include language regarding the obligations of the state vis-a-vis private and community schools. The following laws will be produced and publicized widely:

Law:           The Law promoting private schools;

Decree:       Decree on community schools;

Ministerial   Ministerial Order regulating the registration  
Orders:           of community schools;

Ministerial Order regulating the governance of  
community schools;

Ministerial Order regulating access of community  
schools to public and private funds and to other  
funding sources; and

Ministerial Order regulating the ability of  
students to transfer from community schools to  
public schools.

Instructions: Instructions to Regional Directorates of

Education and the Inspectorate of Primary Education on administrative and pedagogic support for community schools.

Directives: Directives governing the deliver of land ownership titles to community schools.

2. Indicators for Revised Conditionality Satisfaction

The evidence that will be used to satisfy revised conditionalities are the Verification Documents which are detailed in the Program Grant Agreement Amendment (Section 4.3.b.).

3. Revised Conditions Precedent

Prior to the disbursement of \$2 million in non-project assistance, the Government of Mali must take the actions set forth in the revised Section 4.3.b of the Program Grant Agreement. The actions include:

- a) Enacting a law that establishes and defines all categories of private school establishments and:
  - defines the role of the Government of Mali in regulating private school establishments;
  - specifies as public utility, and provides official, legal recognition of all private schools with an enrollment of at least sixty (60) students;
  - defines the types of private schools recognized; and
  - distinguishes between private for-profit schools and non-profit community schools.
- b) Issuing a binding decree and other documents implementing the law on private schools that regulates the community schools and specifies their role and functions in the Malian education system and:
  - defines the relationships between the education authorities and the community schools;
  - the grantee recognizes officially and specifies as public utility all community schools that have an enrollment of at least 20 students, have their own land, and are managed by elected bodies;

elected body;

- provides for financial support to community schools from the communities to which they belong and from other public and private sources;
- provides for equal access to administrative and pedagogical support services for both community and public schools;
- authorizes the transfer of students from community schools to public schools;
- allows communities to have access to a piece of land recognized as the community school property;

c) Publicizing the above-referenced documents: Law, Decree, Ministerial Orders and Directives widely through:

- the official Journal of the Republic of Mali;
- six popular national newspapers;
- translating them in at least three national languages; and
- organizing programs on the radio in french and in at least three national languages, to explain and comment the referenced documents.

As required by the revised conditionality, information will be disseminated widely to all of the thirty-two Inspectorates, the seven Regional Education Directorates, the seven Governors' Offices, the eight National Directorates of the Ministry of Basic Education, the Ministry for Territorial Affairs, the Decentralization Committee, and the National Assembly Education Committee.

B. Anticipated Impact of Conditionality

The alleviation of the original constraints, reflected in the charts above, is dependent on fundamental systemic change of a nature not envisaged when the project was first designed. Thus, the revised conditionality is a first step in support the Government's democratization and reform of the education system. It fulfills the requirement for judicial reform, thus providing a frame-work for moving ahead with financial, institutional, and programmatic reform. Specifically, the proposed conditionality establishes the legal environment for the creation of an efficient school system. The Government wants to do this, and more

school system. The Government wants to do this, and more importantly, it is also the will of the people.

Fundamental change requires an interlocking series of concerted actions. Debate, discussion, access to information, pilot actions, all contribute to the development of an enabling environment for change. Formally, change begins with the legislative process. It is followed by actions to restructure the allocation of resources to support legislative intention. It is supported by structural institutional change to implement legislative objectives. It is implemented within a clearly defined programmatic framework by activities carried out to meet defined objectives. In sum, successful implementation of the conditionality will provide an enabling environment for the resolution of problems impeding the development of an efficient basic education system in Mali. Implementation will provide for:

- The development and implementation of a judicial framework to legitimize all types of institutions for the provision of educational opportunities for all of Mali's children;
- The development of criteria for the equitable allocation of financial resources at the national, regional; communal and local levels;
- The implementation of an institutional framework which is participatory in nature and which actualizes the Decentralization Law of February 1993;
- The development of a coherent programmatic framework which allows for the creation of child-centered learning environments.

Work in these four areas will directly impact the sectoral constraints identified in USAID studies, cited earlier, and corroborated by other independent assessments, the most recent being the 1994 UNESCO Sector Assessment. The synthesis document, "A Political and Strategic Framework for Education", recommends, as the first priority, increasing access to basic education by creating new community schools in urban and rural areas and by developing medersas, the Franco-Arab Primary schools. The report calls for immediate action to support this priority in the form of regulations: to create a coherent structure; to simplify procedures for the creation of schools; to provide for transparent administrative and financial management of schools; to expand access to financial and technical resources to communities and others for the creation of private (community) schools. The revised conditionality responds directly to this priority recommendation.

Passage of the law, decree and related documents will establish the legal foundation for the restructuring of a unified education system in Mali. Previously, only formal schools were considered

official schools. It will reduce many inequities in the current system. Hundreds of other institutions begun by community groups were denied access to basic education services because they were not considered part of the formal system. More importantly it forces the Ministry to respond to the pent-up demand for schooling by putting in place a system for registering schools. Hundreds of demands for the creation of schools by community and other groups lie without response at various levels of the Ministry structure. The private sector has created more schools in the last three years than the Government in the last fifteen years. The Government is unable to respond to the mounting demand for schooling. It recognizes that it must work in partnership with all sectors, private, public, and voluntary organizations. The proposed conditionality sets the stage for such a partnership. As a result there will be a marked increase in the creation of new schools and a major shift in the way existing schools are managed. The conditionality also provide a basis for donor support of local educational endeavors through the Government or through recognized partners.

Passage will support the implementation of the decentralization policy which legislates a fundamental revision of resource allocation in the education sector. Inverting the education pyramid is only part of the picture. The revised project will fund studies to develop criteria for the equitable allocation of financial resources at the national, regional; communal and local levels and to assist in their implementation; it will fund the implementation of an institutional framework which is participatory in nature and which actualizes the Decentralization Law of February 1993; and it will assist the development of a coherent programmatic framework which promotes child-centered learning environments.

In addition, since the creation of new schools and the expansion and rehabilitation of old schools requires access to significant technical resources, USAID Project interventions support accompanying administrative measures which include the opening, under the Regional Directorates of Education, of a continuous bidding process for such services. Administrative support will be provided in the Project area by the expansion of Regional Service Centers funded under the First Amendment to the project.

In general, the proposed conditionality will support measures to increase the efficiency and quality of the delivery of basic education services. It will:

- Provide the conditions to increase access to basic education;
- Provide for the creation of alternative parallel complementary education delivery services in collaboration with the Ministry of Education;

- Reinforce accompanying measures to expand access to basic education;
- Stimulate the demand for education by providing support to develop new schools
- Reduce inequality of education services delivery between the regions;
- Diversify basic education service delivery structures
- Increase the quality of education by providing administrative and pedagogical support to all schools, therefore increase the internal efficiency of schools
- Provide an enabling environment for donor action on a broader scale, through communities and other voluntary organizations, working in collaboration with the Ministry of Basic Education.

The law will improve the efficiency of donor action in support of Basic Education. It will provide a basis for donor support of local educational endeavors through the Government or through recognized partners. Many donors have been frustrated in their efforts to respond to real needs expressed by communities, for the creation of new schools. Without legislation including all schools in the Ministry of Education system, Ministry officials were under no obligation to respond to community requests to open new schools. Donors were constrained by Ministry reluctance to acknowledge the such requests. For example, in the Bougouni Inspectorate, in the Sikasso Regions, thirty-one requests to open Community Schools remain without response because the current structure is not designed to respond to such requests.

As a result of the passage of this law, and accompanying measures, Kfw, a German Aid Organization, working in close cooperation with USAID in the rehabilitation and construction of schools, will be able to fund requests for school construction from communities, in collaboration with the Ministry of Basic Education. Passage of the law removes the Bamako bottleneck in school construction and rehabilitation. An accompanying measure, already engaged, will provide for continuous and open bidding by selected contractors on all such requests. In short, meeting this conditionality, will enable and encourage the Government to develop a true partnership for the development of an efficient education system for basic education.

One of the greatest constraints to excellence in Malian schools is the fact that they are divorced from local reality. Passage of law and accompanying measures legislate parental involvement in partnership with the Ministry of Basic Education. We know that this is a recipe for successful schools in Mali. Results from a project subgrant to Save the Children for the expansion of

Community Schools in the Kolondieba area, bear witness to the multiplier effect of community and Ministry synergy. These results are corroborated by USAID's 1993 Program Evaluation. Test results showed that children in community schools score an average of 25 percentage points higher than those in formal schools where parental involvement is actively discouraged in everything but the collection of funds.

The law, decree, and accompanying documents, provide the foundation for the development of a coherent programmatic framework which allows for the creation of child-centered learning environments. This too is supportive of existing project interventions in the Ministry of Basic Education National Institute for Pedagogy. Institutionalization of the very successful Monitoring and Evaluation Unit will be followed by the institutionalization of a Program Development Unit. This effort will be supported under the fifth Amendment and developed in collaboration with the French aid agency (FAC). Collaboration with the French allows us to incorporate results from their ongoing thirteen country Research-Action Quality Education in Africa Study.

Finally, procedures developed as a result of the passage of the Community Schools Decree will provide the basis for the development of locally autonomous Parent and Student Associations. Corrupt centrally directed Parent Student Associations have long been a serious brake to successful community action on the education front. Schemes to defraud the Government of matching funds by inflating prices for school construction and rehabilitation were common. A recent report on the Education Sector written by Canadian financed Malian consultants called for an end to these practices. Procedures will identify the level of participation required in terms of "Degrees of Empowerment by Kind of Participation", in the following areas: decision making, Implementation of activities, control of benefits; and involvement in the evaluation process.

#### C. Relationship to Other Donor Activities

USAID Mali has worked closely with the World Bank and other donors on this conditionality through the World Bank's Fourth Education Consolidation Project. Donors support this initiative fully as a first step in the restructuring of education service delivery in Mali.

Currently, requests to create community and private schools are processed by the Ministry of Basic Education at a very slow pace due to a lack of procedures and institutional framework. The development and passage of this law as stipulated by the conditionality will reinforce and support the World Bank intervention to construct community and private schools.

The lack of a mechanism to allocate financial resources equitably between the urban and rural zones and gender disparity is problematic. A United Nations Development Program and UNESCO-conducted sector study point out the systemic need for building institutional capacity to address allocating financial resources equitably. The replaced conditionality is a solid step toward assuring more resources to the most populated and needed areas of the country for the development of education. It will promote and encourage community financing of education.

Canada's support to education management with the Commission à la Réforme Administrative and its support of the Centres d'Education pour le Développement, literacy institutions for children and youth, will benefit greatly from this replaced conditionality. Germany, Norway, the African Development Bank and the Islamic Development Bank all finance the construction of new schools and the extension of existing schools by building classroom, offices and sanitary facilities. They use various institutions to channel their funding because the existing institutional framework is weak. The replaced conditionality reinforces the institutional framework. The Swiss are inclined to invest in development of community schools with a more solid institutional framework to support their work.

France is conducting a series of evaluations of the system and redesigning school programs. The United Nations Children's Fund (UNICEF) actively supports medersas and literacy centers working on curriculum and teacher training. The European Community develops and tests an environmental curriculum. Switzerland trains teachers within unions and its interventions on a small scale. France's work favors the primary school model that falls into private and community schools. Medersas and literacy institutions for children supported by the United Nations Children's Fund also are a form of community schools that are given official status and support through this replaced conditionality. The environmental curriculum developed by the European Community is a solid element in the pertinence of the curriculum and is being applied in community and village schools in Kolondiéba, thus providing the quality and pedagogical support to these schools. This will make then more appealing to parents as the number of community schools grow.

#### D. End-of-Project Status (EOPS) Indicators

- \* Increased rate of enrollment growth by ten percent per year;
- \* Increased girls' intake rate by ten percent;
- \* Decreased rate of students repeating primary school grades one through six by five percent;

- \* Improved student-teacher ratio from 46:1 to 35:1;
- \* Retrain over 5,500 teachers and staff in improved pedagogical skills;
- \* Increased textbook availability from .7 to two books per student;
- \* Increased percent of teachers using textbooks from 22 to 75 percent;
- \* Increased percent of classrooms where students use textbooks from six percent to 50 percent;
- \* Increased number of classrooms rehabilitated using project funds by 1,000;
- \* Improved student performance in core areas in second grade from a mean score of 44.4 on standardized tests to a score of 75;
- \* Improved Ministry of Basic Education personnel system through introduction of improved organizational chart and job descriptions for key posts;
- \* Improved management of Ministry of Basic Education equipment through introduction of computerized school inventory system;
- \* Improved school management through involvement of school Parent Associations; and
- \* Opened 500 new village schools and ecoles de base, reaching about 150,000 more children in school.

#### E. Monitoring and Evaluation

The Basic Education Expansion Project has established a highly qualified Monitoring and Evaluation (M&E) unit in the Institut Pédagogique National (IPN) which has achieved significant successes en route to fulfilling its objectives. The unit has been trained in all aspects of monitoring and evaluation. The team is charged with monitoring the effects of classroom inputs; with strengthening MEN's central/regional monitoring and evaluation capacity; and strengthen M&E capacity at the national level. Despite travel restrictions, school closures and attendant problems related to political unrest, the M&E component's data collection schedule continues apace. Of special interest following this project/program amendment will be the monitoring of increased access to basic education as the result of the GRM implementing the revised conditionality.

##### a. Monitoring and Evaluation

Baseline data for 45 schools throughout the project area have been collected as a first step in the school evaluation process. This is the first time that systematic testing of educational inputs has been conducted in schools at the primary level. The study area will be expanded to include new private and community schools as they are created to offer comparisons with public schools. The work to-date of the M&E unit provides an insight to the sophistication and practical utility of this team. Selected highlights:

- \* One of the primary focuses of the M&E component is on the evaluation of classroom inputs, therefore one of the first components to be evaluated was in-service Training. The study conducted in 45 schools shows that training given by school directors is highly correlated (0.9) with the introduction of new methods in the classroom.

- ✓ \* Another study monitored the participants' responses to the presentation of the in-service courses. As a result of the evaluation, several changes were made in the presentation of course materials.

- ✓ \* Girls enrollment has been an important issue at the DNEF, the Department Nationale de l'education fondamentale. The monitoring and evaluation team assisted with the development of terms of reference for their study on the subject. This study provided the groundwork for the development of the very successful Action Plan for Girls' Enrollment.

In order to strengthen the regional capacity of MEN M&E it will be necessary to expand M&E capacity in the regions. Under the leadership of the technical advisor, four M&E teams will be developed. The technical advisor will spend the majority of the time in the regions working to develop the M&E component of the Regional Pedagogical Centers, and in leading M&E Regional training specialists working with CFC. These specialists will be trained in the design of studies and in data collection and interpretation as well as in reporting. With three additional teams trained, data will be collected twice a year in 150 schools in four regions. School achievement data will be collected once a year. This will be the first time that systematic measurement of achievement will have been attempted at the primary level.

Monitoring and Evaluation of classroom inputs is an ongoing activity. Under the amendment this component will be expanded to monitor and evaluate new project components, particularly in the Koulikoro region and in the Regional Pedagogical Centers.

In concert with the Management component, a National M&E Plan will be established. Strengthened coordination and planning among all MEN Divisions: DNEF, IPN, Department of Administration and Finance (Departement d'Administration et de Finance or DAF), Regional Education Inspectorate (Direction Regionale de l'Education or DRE), IPEG, and Primary School Inspectorate (Inspection de l'Education Fondamentale or IEF) will emerge as a result of the coordinating role of the MEN Testing and Measurement Unit. A functional system for the evaluation of

educational practices planned and implemented by the In-service Training Centers will be developed. Auto (self) evaluation techniques and tools will be developed to form an integral part of all evaluation plans. In concert with the Regional Pedagogical Centers, M&E Guides will be available in every DRE/IEF.

### III. Economic and Financial Considerations

With only 20 percent of the school age population enrolled in public basic education in Mali, the need for increasing access to basic education and to improve its quality and relevance is beyond question. The economic and financial worth of expanding basic education to Malians was established in the original design and remain valid. The original conditionality remains unsatisfied largely because the political power of secondary and higher education students has enabled them to defend scholarship privileges that were expected to decrease in favor of increased allocations to basic education.

The initial non-project assistance conditionality aimed at getting Malian decision makers to make a sustained commitment to more and better basic education by increasing the share of budgeted public expenditures that sector. The objectives were to increase enrollment and the quality of basic education. Although the original project/program objectives remain unchanged, the Government's inability to satisfy the conditionality has led USAID to work with it to identify feasible alternative conditionality. The replaced conditionality would reach the objectives through establishing legal framework that will help expand and improve the quality of community and private basic education, and facilitate the transfer of private and community students into the public school system. The replaced non-project assistance conditionality has the additional merits of introducing competition into the education system and of supporting the ongoing democratic and decentralization processes. This has the potential of significantly increasing access to quality basic education, increasing available choices and making education more relevant to the needs of the communities.

Easier transition from private and community schools to the public system is expected to increase education at the village level, especially in smaller villages without enough potential students to justify public schools under current budget constraints. The possibility of transferring younger community students from the smaller villages into the public education system is expected to increase demand for community education. Moreover, parents' participation in the education process and the inclusion of material with more practical applicability are believed to increase effective demand for basic education. From an economic point of view, therefore, an important potential outcome of the development of private and community schools is the development of this more functional literacy, which will in turn facilitate the adoption of appropriate technologies in the small enterprise and informal sector.

These developments are expected to increase total enrollment in basic education by 10 percent per year. Given Mali's budget constraint, this increase is significantly greater than anything that could be expected. The original conditionality required that education constitute not less than 25 percent of the total government budget, of which the budget for basic education had to increase to 42 percent.

In 1993, enrollment in public basic education was 300,000. Adding private and community education enrollment brought the total to 400,000. Adding the project-related increase in enrollment of 10 percent to the current 10 percent annual rate of increase means that the Malian education system would absorb around an additional 80,000 pupils per year. Half of this increase would be due to the non-project assistance to be disbursed under the replaced conditionality, with the additional, complementary support of the \$10 million amendment to the project assistance component that is currently being prepared. Projections into the future show the importance of such an increase: at the current rate of enrollment increases, some 44 percent of the basic education cohort would be enrolled in basic education by the year 2000. With the increase in enrollment expected with the non-project assistance and complementary project assistance, the enrollment rate would be 71 percent.

The ability to realize these achievements hinges upon the government ability to collect revenue which is now very weak. The Konaré Government has experienced serious difficulty in collecting taxes to support itself, in part a function of operating in the face of structural adjustment, devaluation, and the general sense among the Malian population of eroded economic well-being. If the Malian Government meets the Conditions Precedent of the replaced conditionality the \$2 million disbursed will have an immediate impact on Mali's financial situation. The Conditionality will certainly not eliminate the lack of resources at the base for basic education, but it will help bring in private resources to support basic education to help alleviate this problem. To what extent it will do so is not clear. A major factor influencing support for basic education is the success of the structural adjustment process, which is beyond the control of this non-project assistance. In any case, the fundamental budget problem of the basic education sector cannot be addressed without increasing their funding. Sustainability depends ultimately on getting a large portion of these allocations through the budget process. Increasing student enrollment to the projected level is contingent upon the attaining the financial level of educational support represented by either the original conditionality or by other measures to attain the same effect.

#### IV. Annexes

##### A. Why the Original Conditionality Failed

###### 1. Dysfunctional Systems

During the last four years, as USAID Mali tried to implement Basic Education Expansion as designed, it found repeatedly that the fundamental requirements it needed to achieve its purpose were missing. As a result, USAID was required to implement a massive teacher training program without an agreed-upon curriculum. It was required to develop a system to manage personnel without any data on personnel. It was required to develop education statistics in an environment where only some schools were considered part of the education system. It was required to integrate its project activities with those of other donors without any Ministerial structure or the willingness to create one. It was required to develop a testing and measurement system without any agreed program and outcomes, or any pedagogical materials like textbooks, in the schools.

###### 2. Overemphasis on Tertiary Sector Support

The Government has made insufficient efforts to broaden basic education, largely because Malian society has not yet committed to as much educational equity as called for by the original Conditions Precedent. Instead, it has focused on the secondary and tertiary sectors in response to popular demand, which slowed the realization of policy changes expected under the original conditionality. The unfortunate result is that achieving more balance between the tertiary and basic education sectors became and remains a zero-sum game. The following describes how this happened.

Trying to reduce scholarships to comply with the conditionality, in March 1991 the Traoré regime was faced with civil disturbances organized by the Students' Association. It had three options: repression; cession; or compromise. Initially it tried repressive measures, which failed. Then the late Minister of Education agreed to increase scholarships by 75 percent in a last-minute attempt to save the regime. While the regime failed the students held the subsequent Transitional government to the scholarship promise of its predecessor. Thus, in April 1991, the Transitional Ministers of Education and Budget signed a 26-article agreement in principal with the student and parent-teacher groups, which included a two-phase increase in scholarships: 50 percent in 1991 and 25 percent in 1992 (see Annex A). A these agreements caused scholarship payments to rise from 3 billion CFA in 1990 to 5.2 billion in 1992.

By April 1992, the newly-elected Konaré Government had not increased scholarships as its predecessor Transitional Government

promised. On the contrary, it demonstrated firm resolve in dealing with student protests. Immediately upon taking office, the new Minister of National Education announced the closure of all boarding facilities, even those renovated under the Transitional Government. A Note published in August 1992 provided guidelines that established criteria for awarding scholarships - a first since independence - that include performance, age, normative time, and social status. The Note says specifically that while scholarships for all may have been justified in the years after independence, budget requirements make it necessary to impose strict controls to bring these expenditures within reasonable limits as rapidly as possible. Currently, 7,233 post-baccalaureate students make up the Higher Education population. There are 2,400 abroad including 1,315 in Russia, who were given scholarships supplements of 5,625 CFA per month because inflation increased last year by 2000 percent. A 12 percent reduction in scholarships is planned for 1994, from 5.2 billion CFA to 4.6 billion CFA, with more reductions to follow with each new cohort of students as scholarship criteria are applied. A second note proposed an immediate reduction of 55 million CFA for thesis preparation expenses.

The Malian Student Association reproached the Minister of Education for this action, declaring, "we asked for scholarships, classes, laboratories, books, benches, health services, not capriciously, but that education in Mali, be meaningful... Instead we are witness to the reduction of scholarships already agreed to by the Government, closure of newly-constructed boarding facilities, massive exclusions... And the discrediting of our movement on all fronts, by all means in order to isolate us."

Continued protests by students demonstrate categorically that they are unhappy with the Government. In fact, while the Ministry of Basic Education is convinced that reducing state support to higher education is necessary, it thinks that withdrawing scholarships in less than a four-year time frame is unrealistic.

B. The Original Conditions Precedent by Tranche and the Status of their Satisfaction

The following reviews the original Conditions Precedent for Disbursement required for the three tranche disbursements, including the evidence submitted in satisfaction of these conditions.

1. First Tranche

The following Conditions Precedent to Disbursement of the first tranche were satisfied by the Government of the Republic of Mali meeting the following requirements and USAID reviewing the accompanying evidence:

a. Section 4.3. (a)(1)

The Project Coordination Unit has been reorganized in a manner satisfactory to USAID. Evidence: The Presidential Decree N°89-414/PRM on the reorganization of the Project Coordination Unit, dated December 5, 1989 established in a manner satisfactory to USAID the strengthening, rationalization and reorientation of the project management and financial administration capacities of the Project Coordination Unit, as agreed upon during negotiations.

b. Section 4.3. (a)(2)

A technical assistant acceptable to USAID has been appointed in the Project Coordination Unit. Evidence: A copy of the Minutes of Agreement between the Ministry of Cooperation of the Republic of France and the Ministry of National Education of the Republic of Mali, appointing a technical assistant to the Project Coordination Unit, has been determined satisfactory to meet this Condition Precedent.

The technical assistant left Mali in June 1991. This position remains vacant despite attempts to fill it. In the absence of this technical assistant, Ministry of Basic Education, Bureau des Projets Education and Basic Education Expansion project staff have developed two working structures: Bureau des Projets Education-Donor Coordinating Group, and a Review Committee for Basic Education Expansion, convoked on a monthly basis and attended by Ministry of Basic Education personnel, USAID staff and other donors. The World Bank recently announced the appointment of a special coordinator for Human Resources, Health and Education, for Mali.

USAID Mali believes that these developments meet satisfactorily the continued implementation of this Condition Precedent.

c. Section 4.3. (a)(3)

The Basic Education Support Fund, Fonds d'Appui à l'Enseignement Fondamental, has been established in a manner satisfactory to USAID. Evidence: receipt by USAID Mali of the original of Implementation Letter N°3 on the Statutes and Regulations of the Basic Education Support Fund, signed by the Minister of National Education, approving measures requested by USAID Mali in order to establish the Basic Education Support Fund in a manner satisfactory to USAID.

The recent implementation of the USAID Basic Education Support Fund fast-track system has contributed to expediting the rehabilitation process in the Koulikoro Region and the District of Bamako.

d. Section 4.3. (a)(4)

Appropriate measures have been taken in a manner satisfactory to USAID to: modify the Ministry of Education's budget

nomenclature so as to distinguish material from subsistence expenditures; and distinguish the allocations to Cycle I from those in Cycle II in the Ministry of Education's budget. Evidence: The budget of fundamental schools of Cycle I is in the regional budget whereas the budget of fundamental schools of Cycle II appears in the national budget, and they are thus separated; the budget of subsistence expenditures has the code 24.11 and the budget for material expenditures has the code 24.21, and are thus differentiated. The Government of the Republic of Mali fulfilled Conditions Precedent to Disbursement of the first tranche of U.S. \$1,000,000 set forth in Section 4.3. (a) of the Basic Education Expansion project Grant Agreement in December 1989.

2. Second Tranche

The second was due for disbursement in December 1990.

a. Section 4.3. (b) (1)

Kept the Ministry of Basic Education's recurrent budget at not less than five percent of the Grantee's recurrent budget. This condition was met in 1990, 1991 and 1992.

b. Section 4.3 (b) (2)

Increased the share of Cycle I financing in Ministry of Basic Education's recurrent budget to not less than 40 percent. Evidence: This condition was met and should be waived.

c. Section 4.3. (b) (3)

Kept the share of higher education financing in Ministry of Education's recurrent budget to not more than 19 percent. Evidence: This condition was met in 1990, but it was impossible to meet this target in 1991 and 1992 respectively due to the political and social situation.

d. Section 4.3. (b) (4)

Increased the share of materials in Ministry of Education's recurrent budget to not less than eight percent. Evidence: The Ministry of Education's materials budget for 1992 represented 18.1 percent of total. Source: Bureau des Projets Education Point de l'Execution des Actions, October 1992.

e. Section 4.3. (b) (5)

Reduced the aggregate amount attributed to highest education scholarships by at least ten percent of the amount of the previous school year. Evidence: This condition has not been met and should be waived.

f. Section 4.3. (b) (6)

Prepared a study on the Ministry of Education's personnel policies and procedures, including proposals to reduce the number of lower and upper secondary teachers and to establish appropriate levels of recruitment for Cycle I and Cycle II teachers. Evidence: The World Bank-financed personnel study on which re-deployment decisions were to be based was delayed for 18 months. In January 1991, USAID intervened and financed the data collection and entry and analysis in collaboration with the Commissariat de la Réforme Administrative and the Ministry of Education's Administrative and Finance Division. The Ministry of Higher Education has developed a re-deployment plan that meets this conditionality.

g. Section 4.3. (b) (7)

Reviewed with USAID the recommendations contained therein. Evidence: USAID technical assistance has worked collaboratively with Ministry of Education counterparts on this subject since 1990. A final review was conducted to USAID's satisfaction in October 1992.

h. Section 4.3 (b) (8)

Modified its Decision N°346 of March 23, 1986 and its Arrêté N°5728 of June 6, 1986 by providing that Cycle I teachers shall be: recruited among upper secondary education graduates; and trained, in accordance with curriculum acceptable to USAID, for not more than two years. Evidence: Decree # 90/403/PRM, dated October 18, 1990.

i. Section 4.3. (b) (9)

Adopted a staffing plan for teachers insuring a student-teacher ratio of at least 35:1 for Cycle I; 18:1 for Cycle II; and 10:1 for secondary education. Evidence: the Ministry of Education completed the student-teacher ratio of 47:1. The completion of the personnel study noted in Section 4.3. (b) (7) provides the Ministry of Education with financial data for implementing teacher re-deployment.

j. Section 4.3. (b) (10)

Submitted a plan satisfactory to USAID for the utilization of existing facilities of training colleges for Cycle II teachers. Evidence: Decree #90/459/PRM, dated December 8, 1990, implemented September 1992.

k. Section 4.3. (b) (11)

Submitted a plan satisfactory to USAID for restructuring its secondary general, technical and vocational, and higher education system. Evidence: Institut de Recherche sur l'Economie de l'Education Report.

### 3. Third Tranche

The third tranche was due for release in December 1991. It had eight Conditions Precedent:

#### a. Section 4.3. (c) (1)

Kept the Ministry of Education's recurrent budget at not less than 25 percent of the Borrower's recurrent budget. Evidence: This condition was met in 1991. Source: Ministry of Education, Etat d'Exécution des Conditionnalités pour le Décaissement des 2ème et 3ème Tranches du Volet Ajustement du Projet de Développement de l'Education de Base, October 1992.

#### b. Section 4.3.(c) (2)

Increased the share of Cycle I financing in the Ministry of Education's recurrent budget to not less than 42 percent. Evidence: This Condition was not met and should be waived. Source: Ministry of Education, Etat d'Exécution des Conditionnalités pour le Décaissement des 2ème et 3ème Tranches du Volet Ajustement du Projet de Développement de l'Education de Base, October 1992.

#### c. Section 4.3.(c) (3)

Kept the share of higher education financing in Ministry of Education's recurrent to not more than 19 percent. Evidence: This Condition was not met and should be waived. Source: Ministry of Education, Etat d'Exécution des Conditionnalités pour le Décaissement des 2ème et 3ème Tranches du Volet Ajustement du Projet de Développement de l'Education de Base, October 1992.

#### d. Section 4.3. (c) (4)

Increased the share of materials in the Ministry of Education's recurrent budget to not less than nine percent. Evidence: This condition was met. Source: Ministry of Education, Etat d'Exécution des Conditionnalités pour le Décaissement des 2ème et 3ème Tranches du Volet Ajustement du Projet de Développement de l'Education de Base, October 1992.

#### e. Section 4.3. (c) (5)

Reduced the aggregate amount attributed to higher education scholarships by at least five percent of the amount of the previous school year. Evidence: This condition was not met and should be waived. Source: Ministry of Education, Etat d'Exécution des Conditionnalités pour le Décaissement des 2ème et 3ème Tranches du Volet Ajustement du Projet de Développement de l'Education de Base, October 1992.

#### f. Section 4.3. (c) (6)

Attained a student-teacher ratio of at least 36:1 for Cycle I; 20:1 for Cycle II; and 12:1 for secondary education under the staffing plan referred to above under Second Tranche conditionality. Evidence: Same as Section 4.3. (b) (9). Source: Ministry of Education, Etat d'Exécution des Conditionnalités pour le Décaissement des 2ème et 3ème Tranches du Volet Ajustement du Projet de Développement de l'Education de Base, October 1992.

g. Section 4.3. (c) (7)

Submitted a plan for the revision of Cycle I curricula satisfactory to USAID. Evidence: plan being studied with Travaux Pratiques et Dirigés replacing Ruralisation. Source: Ministry of Education, Etat d'Exécution des Conditionnalités pour le Décaissement des 2ème et 3ème Tranches du Volet Ajustement du Projet de Développement de l'Education de Base, October 1992.

h. Section 4.3. (c) (8)

Implemented the recommendations of the personnel study provided for above, reviewed in accordance with the Second Tranche conditionality, in a manner satisfactory to USAID. Evidence: The Ministry of Education redeployed 781 teachers to schools in 1991-1992. Source: Ministry of Education, Etat d'Exécution des Conditionnalités pour le Décaissement des 2ème et 3ème Tranches du Volet Ajustement du Projet de Développement de l'Education de Base, October 1992.

C. The Student Association Memorandum and Implementation Status of Agreed-Upon Actions

In April 1991 the Minister of Education and the Students' Association agreed in principle on the following 26 points. Notes on their implementation statuses are added.

1. Increasing students' scholarships

Increase student scholarships 50 percent in May 1991, and 25 percent in January 1992, a total of 75 percent over two years. Status: implemented. Decree No.92-188/P-CTSP, June 5, 1992, amended by Decree No.92-034, July 23, 1992 regulated the status quo. Increases in Higher Education scholarships rates in some foreign countries, in particular the former USSR, were not foreseen in Decree No.92-188, Decree 92/034 raised the monthly scholarship supplement from 7,500 CFA to 13,125 CFA as of January 1, 1992. Students receive the following allowances: A monthly grant of 26,250 CFA and a one time; Annual allowance of 36,300 CFA. Final year students get two extra allowances: a) 8,750 CFA per month for internships; b) 25,000 CFA for the thesis expense; 75,000 for dissertation expenses in Medicine and Pharmacy.

2. Reinstating Scholarships in Secondary, Technical, and

### Vocational Educational Establishments

Status: implemented. Decree No.92-187/P-CTSP of June 5, 1992, created two types of secondary scholarships: 135,000 CFA that includes school fees (25,000 CFA), medical fees (5,000 CFA), maintenance (105,000 CFA); and 155,000 CFA that includes school expenses (25,000 CFA), workshop uniforms (10,000 CFA), specialized didactic equipment (10,000 CFA), maintenance allowance (105,000 CFA). Maintenance allowances of 11,600 CFA per month paid only to students who receive full scholarships. Partial scholarships of 30,000 CFA for General Secondary, and 50,000 CFA for Technical and Vocational schools do not include maintenance allowances. All payments are made directly to the schools concerned. Conditions for renewing and allocating secondary education scholarships are included in Decree No.92-187. These are that a) students who pass with average marks of at least 12/20, have standard school attendance of a maximum of 12 years in primary school, without repeating since the ninth year receive a full grant. Full scholarships are denied students repeating a year and or whose marks average lower than 12/20; and b) partial scholarships (actually operating expense payments made to schools in the name of each student). All regular secondary students are awarded de facto partial scholarships.

3. Re-opening boarding schools as early as October 1992 in educational establishments where facilities exist Lycées of Badala, Young Girl's Lycée, Markala, Banamba, Bougouni, Dioila; and four Higher Education establishments

Status: not implemented. The cost of implementing this condition proved prohibitive. The reopening of two pilot boarding schools (Young Girl's Lycée and Lycée de Badala) under the Transitional Government cost 800,000,000 CFA for facilities and management. During the inter-ministerial session of September 18, 1992, the Government decided to close all boarding facilities including those newly-renovated. However, given the increase in the total numbers of students, conversion of boarding facilities to classrooms was authorized. Special arrangements to accommodate students with particular social needs were also made.

4. Opening and/or supplying of school lunch programs

A working group composed of representatives from the Student Parent Associations's, Students' Association, Syndicat National de l'Education et de la Culture Executive Bureau, Ministries of Social Action, Public Works, Economy and Finance, Interior and Territorial Administration, and Education, will determine the locations for establishing school lunch programs (in rural zones and in schools where boarding facilities do not yet exist) will study the situation. The management of existing school lunch programs in rural zones is to be improved and Students' Association will be involved in the process.

Status: under consideration. As of October 1992, school lunch programs funded by the school canteen component of the Canadian

Education Support Program were started in underprivileged areas. A national project for lunch programs has been submitted to other donors like USAID, the United Nations Children's Fund and the World Food Program.

5. The State paying thesis expenses (typing, paper, pens, binding, covers)

Status: implemented. Honors Thesis and Dissertation costs are included under scholarships above.

6. Guaranteeing free medical care

Visits to doctors and medical treatment. The Students' Association committee proposed the creation of infirmaries in every educational establishment with access to basic medicines and competent personnel free of charge.

Status: implemented partially. As indicated above, medical fees are included in full and partial scholarships. Infirmaries are operational in some schools but their number is limited and operating conditions are poor. The Ministry of Health is involved in the search for appropriate solutions.

7. Eliminating compulsory school uniforms

Status: implemented.

8. Endowing schools with didactic materials

Status: implemented for Primary Education. For the first cycle of Primary Education, school textbooks and materials were obtained and distributed free of charge throughout the country: 110,000 text-books for the first year; 105,000 books for the second year (USAID); 90,000 reading text books for the third year (World Bank). Manuals have been ordered for the fourth, fifth, and sixth years by USAID and ACCT). Language charts and math books for the first year will be delivered in January 1993 (USAID and CONFEMEM). For the second cycle of Primary Education, 133,161 manuals were obtained in addition to 2,760 dictionaries from the FAC). Donor assistance has lent significant support to the National Budget. Secondary school supplies were obtained under Secondary scholarship funds.

9. State committing to pay workshop costs, food, lodging, transport and medical care (Secondary scholarships converted to operating expenses)

Schools will receive the allowances for final year students. Status: implemented partially. Allowances are included in scholarships.

10. Improving condition of education in private educational establishments, including Koranic schools

Status: under consideration. A national Koranic schools' seminar was organized in August 1992. Strategies for improving conditions in Koranic schools include the creation of a central bureau for Koranic schools at Ministry of Education and an Arabic language diploma course will be offered at Ecole Normale Supérieure. The Ministry of Education has developed a project regulating private, Catholic, Moslem and Koranic schools.

11. Creating and/or re-organizing cultural and sports centers in schools

Status: not implemented. Consultations are in progress with the department of sports and other partners, to create cultural and sports facilities in schools. A study is also in process.

12. Constructing sufficient classrooms to alleviate overcrowding in conformity with UNESCO recommendations and development of annual implementation plans

Status: implemented for Primary Education only. A national program of classroom construction (primary school) and rehabilitation began in 1989. In 1991-1992, in the regions of Ségou, Sikasso, and Bamako, 347 classrooms were built and 519 rehabilitated. USAID has expanded the program to Koulikoro and will extend it to other regions of the country in 1993. Seventy-four new classrooms were built between January and March 1992 in the regions of Koulikoro, Ségou, Mopti, Tombouctou, Gao and Bamako. Classroom building programs benefit from the assistance of the World Bank, USAID, Canada and Germany. Future donor plans for 1993 include: Operation of Petroleum Exporting Countries (312 classrooms), Islamic Development Bank (270 classrooms for the northern regions), Germany (153 classrooms), African Development Bank (300 classrooms), all for the construction and rehabilitation of primary schools.

13. Assigning qualified teachers in sufficient numbers to put an end to the practice of "double teaching assignments at two grade levels"

Status: implemented partially. Since October 1991, the Government has initiated the recruitment of teachers for the second cycle and Higher Education. For 1992-93 this program was extended to primary schools through the 1,000 Teachers Component of Canada's assistance program. 1993, regional budgets also supported teacher recruitment.

14. Providing adequate laboratories and libraries

Status: not implemented. An evaluation of rehabilitation requirements is in progress. Two studies for restructuring Secondary and Higher Education were completed. Items 13, 14, and 15 of the memorandum

address elements that impact structural adjustment investment and recruitment programs established by the Government (Structural Adjustment Program). Thus, implementing these programs will necessarily extend over many years.

15. Providing internship indemnities

Status: implemented under scholarships above, respectively, 8,750 CFA and 6,125 CFA.

16. Postponing the 1991-92 second session until September

Status: implemented.

17. Eliminating the automatic cut-off grade

Status: implemented in all educational establishments, except at Ecole National des Ingénieurs where a settlement was reached between the Students' Association committee. However students who do not reach 12/20 standard do not qualify for scholarship assistance.

18. Providing direction to all the students who pass DEF and BAC tests, particularly non-enrolled, auditing students

Status: implemented. Non-enrolled, auditing students who passed the BAC in 1991-92 were placed. Those who passed the DEF were placed according to agreed-upon criteria (age, schooling, availability of places) 92 students benefitted from the arrangement in 1992-93.

19. Allowing student union representation at all proceedings related to student concerns

Status: implemented. The Ministry of Higher Education organizes meetings regularly in consultation with all its social partners including Students' Association. In 1991-92, students' representatives from organizations like Higher Council on Education and Culture, Seminar on Koranic Schools were invited to meetings to address student problems. In addition, the Inter-Ministerial Council of September 19, 1991 invited the directors of the educational establishments to include students in non-pedagogical management of establishments.

20. Placing students in secondary schools regardless of region of origin, in accordance with available school capacity and student choice

Status: implemented.

21. Instituting an independent investigation committee to determine who is responsible for student deaths (in 1991)

to punish perpetrators in conformity with the law in conjunction with the Ministry of the Interior and Territorial

Administration. The Students' Association proposal for the investigatory committee was accepted.

Status: implemented. The Government expedited Crimes de Sang Trial proceedings.

22. Naming the Lycée of Ségou Lycée Abdoul Karim Camara dit Cabral, and the second cycle school at Djenné Sory Thiocary

Measures will be taken in consultation with the populations concerned to obtain their approval. Status: implemented in 1991.

23. Eliminating the ruralization program in its present form

Consider a new approach in collaboration with all partners (Students' Association, Student Parent Associations, Syndicat National de l'Education et de la Culture). Status: under consideration. Ruralization as a concept and teaching program was abandoned in 1991. USAID will consider a new pedagogical approach to ensure that school programs that are environmentally-relevant.

24. Delivering diplomas within three months of thesis defense

Status: implemented.

25. Endowing Students' Association with a headquarters

Status: not implemented. The Ministry of Higher Education remains available to assist Students' Association in finding an alternative solution.

26. Agreeing to reopen schools on April 12, 1991

Status: implemented. The Student Association memo continues to be a source of major contentions between the government and the students.

D. Original Grant Agreement and Project Assistance-Related Amendments

ITEMS	BUDGET	DATE
Signature of Project Grant Agreement	\$10.0 million (\$7.0 million for project assistance and \$3.0 million for non-project assistance)	August 30, 1989
Signature of first amendment to the Project Grant Agreement*	\$5.0 million	August, 27, 1991
Signature of second amendment to the Project Grant Agreement	\$5.0 million	December 31, 1992
Signature of third amendment to the Project Grant Agreement	\$1.0 million	August 26, 1993
Signature of fourth amendment to the Project Grant Agreement to disburse the remaining \$2.0 million of the non-project assistance funds	No additional funds	In Process (Estimated date: March 1994)
Signature of fifth amendment to the Project Grant Agreement**	\$10.0 Million	In Process (Estimated date: July 1994)
Original Project Assistance Completion Date		September 30, 1995
Extended Project Assistance Completion Date in this second Project Paper/PAAD amendment		August 30, 1997

- \* The first Project Authorization Amendment (for the first Project Paper amendment) for \$10 million was also signed on this date. This Concept Paper describes what will become the second amended Project Paper, and the fifth amendment to the Project Grant Agreement, marked by \*\*.

1. Grant Agreement Amendment Number One

The 1991 amendment to the project assistance portion of USAID's Basic Education Expansion responded to Mali's continued need for education sector assistance and project performance. Its main interventions included creating Regional Pedagogical Centers to serve as in-service training centers and house pedagogical support teams and pedagogical service centers; reinforcing the institutional capacity of the Regional Directorates of Education by creating Educational Management Information System units within regional offices; providing equipment and textbooks to schools; starting a pilot "complete school" program; and conducting a Ministry personnel census. These interventions extended successful activities from the central to the regional level, expanded the project to include another region, and increased impact at the central level. As a result, they trained more teachers, established regional-level systems for school planning, administration, monitoring, and evaluation. In doing so, USAID emphasized the significance it attaches to the Malian government providing adequate budget support for primary education to help ensure the basic education program's sustainability.

2. Grant Agreement Amendment Number Two

The second Grant Agreement Amendment provided an additional \$5 million to conduct activities that had already been approved.

3. Grant Agreement Amendment Number Three

The August 1993 Grant Agreement Amendment extended non-governmental organizations' involvement in training of Parent Associations (associations of parents of school children) and supported the creation of 20 new village schools on a pilot basis. It extended the former pilot project under non-governmental organizations in order to reinforce community-based education. It focused with World Education on training Parents' Associations in opening primary schools; with Save the Children, on rural schools with curriculum in the national languages. Specifically, it aims at increasing primary school enrollment, especially in the first three years of formal education; increasing girls' enrollment languages in rural areas of the project; increasing the use of maternal languages at school; and involving parents and communities in school decisions and life.

4. Grant Agreement Amendment Number Four

A fourth Grant Agreement Amendment to replace the non-project assistance conditionality will result from the approval of this Project Assistance Approval Document, and does not include any life-of-project funding increases. It proposes to delete Articles 4.3 (b) and (c) in their entirety and replace it by the new article that will enable the \$2,000,000 U.S. to be disbursed. These new conditions are described in III.

#### 5. Proposed Grant Agreement Amendment Number Five

A fifth Grant Agreement Amendment is now necessary for USAID to devolve the provision of sustainable and effective support to Mali's educational system to the community level. A Project Paper amendment is under design to describe activities that will add support for the Ministry of Basic Education's decentralization program, reinforce its institutional reform efforts and sustain educational reform at the community and classroom levels, with an extension of the time-frame established in the initial Project Paper. This will provide the Ministry of Basic Education the project assistance necessary to carry through the required reforms, and provide resources where needed most at the community level. This will also increase access for the 80 percent or more of children who are out of school. It will facilitate and support grassroots initiatives to create more schools. It will provide funding to train Parent Associations in school and financial management, school planning, scheduling, inventory and curriculum.

#### E. Relationship Between Revised Conditionality and Project Results

##### 1. Community Support

The Project Paper/PAAD amendment under design will capitalize on the basic principles of participatory development by using all the avenues to foster the active participation of the ultimate beneficiaries of the project, that is the rural and urban communities, in identifying their needs and priorities, designing and implementing the interventions, assessing the impact of these interventions, controlling the use of the resources allocated to them. The revised conditionality will give the legal, institutional, policy and procedural framework to support and develop community involvement in schools. School renovation activities will be coordinated with non-governmental organizations' pilot projects working to establish school-community links. School renovation will also be made contingent upon the adoption of improved teaching methods thus providing incentive for pedagogic reform, reinforcing the integration of interventions and helping the Basic Education Expansion project and the Ministry of Basic Education to realize the Project objective of creating "complete schools." By integrating the girls' schooling component in Community Support, Basic Education Expansion will be able to ad

directly the supply side of the girls' schooling issue and target the critical problems of access and retention. Community Support resources will be used to improve school conditions in ways particularly favorable to girls' attendance such as proximity of school to home and relevance of the curriculum.

## 2. Improving School Quality

A second cluster of project activities will improve school quality by focusing on the pedagogy of the child-teacher and child-child relationship. The Project will develop a decentralized system of curriculum development, teacher training, and evaluation. Through this cycle of activities, it will introduce and refine a basic curriculum that integrates subject matter designed to heighten children's awareness of the environment and their relationship to it. Curriculum development will be reinforced through applying the results of Project-sponsored studies in reading and language acquisition. The Project will also purchase or support the production of appropriate learning materials to complement the environment curriculum. Curriculum innovations and associated teaching methods will be integrated into the system through Regional Pedagogic Centers, presently being established under the sponsorship of the Basic Education Expansion project. Fundamental to this effort is the replaced conditionality that increases the number of quality community schools.

## 3. Support to the Ministry of Basic Education

This support aims at building institutional capacity at the Ministry of Basic Education in the areas of policy formulation, planning, financial and personnel management. The Project will continue to assist in reintroducing a policy unit at the Ministry of Basic Education. It will also support the activities carried out in partnership with the Commissariat à la Réforme Administrative to create an institutional and legal framework at the Ministry of Basic Education conducive to the efficient management of its resources. Specific activities include reforming the personnel system (describing and listing positions, training and developing the personnel), revising the present texts that regulate the Regional Directorates of Education (transferring enough responsibilities from the center to the regional and local authorities), and undertaking a financial study, a study to develop student profiles, and a study to develop a school equipment inventory system. The replaced conditionality is a first and very important step this support towards building institutional capacity.

F. Fourth Education Consolidation Project

In 1989, the Ministry of Education began the Fourth Education Consolidation Project with support from the World Bank, the French Ministry of Cooperation, Canada, Norway, the United Nations Development Program and the U.S. Agency for International Development (USAID). The global program consists of non-project assistance to assist the Government of Mali to overcome its fiscal difficulties, and project assistance to help to improve the effectiveness of its basic education system. The program emphasizes the first cycle, consisting of grades one through six. It conditions disbursement of non-project funds upon budgetary reforms and other reforms that benefit basic education. Project assistance consists of specific inputs such as school construction, textbooks and teacher training. The multi-donor effort to date totals approximately \$66 million of which \$12 million was earmarked for non-project assistance.

USAID's component of this multi-donor effort is the Basic Education Expansion Project. Its project assistance has worked with central Ministry departments to train primary-level teachers and administrative personnel, increase girls' enrollment, implement education management information systems, create incentives for parents and communities to support basic education, and monitor and evaluate program impact. For the total World Bank Fourth Education Consolidation Project, USAID's contribution amounts to \$21 million. It set aside \$12 million, including \$3 million from USAID, in non-project assistance to be released when the Government met certain Conditions Precedent to Disbursement, which were designed to encourage the Ministry of Basic Education to undertake reforms necessary to develop an equitable, efficient and quality basic education program. USAID believed at the time that the original World Bank program conditionality was appropriate and concluded that setting its own, separate Conditions Precedent were unnecessary. Hence, the conditionality negotiated under the education sector structural adjustment program and agreed upon by the Government of Mali and USAID are stated in the Program Grant Agreement signed August 30, 1989. USAID's participation in this World Bank project also supported Congress' Education Starts in Africa initiative.

The World Bank, Norway, and the United States were to each contribute to the disbursements to encourage the Ministry of Education to implement agreed-upon policy reforms. The non-project assistance was supposed to be disbursed in three tranches of \$4 million. The first tranche was disbursed on schedule in 1989. The second and third tranches were rescheduled several times and remain undisbursed because the Government has failed to meet two key conditions related to budget targets: to increase budgetary support to basic education; and to decrease allocations to secondary and tertiary sectors.

Ultimately, in April 1993 the World Bank decided to cancel the remainder of its \$2 million contribution to the Education Sector Program due to the disproportionate share of resources the Malian government

allocated to the secondary and tertiary levels. Despite this decision, donor involvement in Mali's education sector remains strong. France will maintain current assistance levels and Canada plans to increase its support. Norway has decided to reprogram its non-project assistance into project activities, and Germany will soon begin a large school construction project. USAID has determined that Mali has made good progress in improving primary education over the past three years, and is replacing its non-project assistance conditionality in order to disburse USAID's remaining \$2 million.